



Legislation Text

File #: 20-0210, Version: 1

Resolution to Approve the Purchase of Vehicles from Berger Chevrolet (Mi-Deal Contract \$327,790.00) and to Amend the Fleet and Facility Unit FY 2020 Budget (\$180,706.00) **(8 Votes Required)**

The attached resolution authorizes the purchase of ten 2020 Chevrolet Bolt electric vehicles at \$32,779.00 each for a total of \$327,790.00 from Berger Chevrolet, Grand Rapids, Michigan.

The Fleet and Facilities Unit establishes a replacement schedule for each class of vehicle purchased by the City. Once a vehicle hits the preset age, we use a two-step evaluation process to determine which vehicles are actually replaced. That process has been completed for FY20 and all vehicles being replaced have either been approved by Council or the item is already on a scheduled Council meeting agenda for consideration.

The group of vehicles included in this resolution are being targeted for replacement to support multiple sustainability efforts approved by City Council. The Community Services Area has identified 14 building inspector vehicles that are excellent candidates for replacement with fully electric vehicles. In addition, these vehicles are part of the Construction Fund which currently has the capacity to support the additional up front purchase price difference between the Fleet replacement funding and the actual new vehicle cost.

Four of these vehicles were fully depreciated in FY20 and their replacements have already been approved by City Council on an earlier resolution. The remaining vehicles include five model year 2015 vehicles, two model year 2016 vehicles, and three model year 2017 vehicles. Unpaid depreciation costs and the increased auction values for these vehicles will be calculated by Finance and the appropriate adjustment between the Construction Fund and Fleet Fund will be made. Staff is recommending early replacement of 10 of the vehicles based on the estimated savings of between 61 and 111 metric tons of CO₂e. The difference in amount will be determined by our ability to change the vehicles using solar or traditional power, that has not been determined yet. Based on the Climate Emergency resolution passed by council staff is recommending that the additional cost of replacing the vehicles now is justified by the decreased carbon emissions.

The Chevrolet Bolt is an all-electric plug-in vehicle with approximately 240 miles of range on a single charge. Based on expected usage, the vehicle will be able to handle the normal driving activities of a work shift and can fully recharge overnight using a Level 2 (240v) charger.

The Fleet and Facilities Unit reviewed the bids of the Cooperative Purchasing Programs of the State of Michigan, Oakland County, and Macomb County. Berger Chevrolet was the lowest responsive bidder to the State of Michigan MiDeal cooperative purchasing program (MiDeal contract #071B7700177) for the Chevrolet Bolts.

Berger Chevrolet complies with the requirements of the City's Conflict of Interest and Non-Discrimination ordinances.

Budget/Fiscal Impact: Funding for the Fleet Services share of this purchase is provided by the annual replacement costs paid to the Fleet Fund for these vehicles by the Construction Fund; however, this purchase was not anticipated and included in the approved FY20 Fleet Services Operations and Maintenance Budget; therefore, requiring a budget amendment for Fleet and Facilities.

The Fleet Services Fund has collected \$180,706.00 for the replacement of these ten vehicles. Supplemental funding for the purchase of the electric vehicles is available in the amount of \$147,084.00 in the FY20 Construction Fund budget.

The owning department of each electric vehicle will be responsible for the increased Fleet replacement cost each year. This Fleet replacement cost covers the future cost of replacing the vehicles purchased under this resolution. Fuel savings and reduced maintenance expenses will recoup some of this additional expense based on the usage of the vehicle.

Each vehicle will also require a Level 2 charger. The purchase and installation of this charging infrastructure is not part of this resolution and has been budgeted separately in the FY20 Construction Fund budget.

Green Fleet Policy: On January 16, 2020, the Green Fleet Committee approved the need for the replacement of these vehicles, that the proposed replacements are consistent with the Green Fleet Policy, and recommended the approval of this resolution. The Sustainability and Innovations Manager has concurred with the actions of the Committee.

Prepared by: Matthew J. Kulhanek, Fleet & Facilities Manager

Reviewed by: John Fournier, Assistant City Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The Fleet and Facilities Unit needs to purchase replacement vehicles for the City's fleet;

Whereas, Berger Chevrolet, Grand Rapids MI, is the lowest responsive bidder to the State of Michigan MiDeal cooperative purchasing program;

Whereas, Berger Chevrolet complies with the requirements of the City's Conflict of Interest and Non-Discrimination Ordinances; and

Whereas, Adequate funds for the Fleet Services share of this purchase of vehicles in the amount of \$180,706.00 are available in the Fleet Services fund balance.

RESOLVED, That the City Council approve an appropriation of \$180,706.00 from the Fleet Services fund balance; thereby, increasing the Fleet Services Fund revenue and expenditure budget;

RESOLVED, That City Council approve the issuance of a purchase order to Berger Chevrolet for the purchase of ten 2020 Chevrolet Bolt electric vehicles at \$32,779.00 each for a total of \$327,790.00;

RESOLVED, That funds for the purchase of these vehicles in the amount of \$180,706.00 come from the FY 20 Fleet Services Fund budget and \$147,084.00 from the FY20 Construction Fund budget with funds to be available without regard to fiscal year;

RESOLVED, That the vehicles being replaced (nos. 5115, 5116, 5119, 5228, 5229, 5231, 5232, 5233, 5237 and 5238) be sold at the next City vehicle auction held after the vehicles are removed from service; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution.